



# City of Seattle

Edward B. Murray, Mayor

## Finance and Administrative Services

Fred Podesta, Director

To: Councilmember Nick Licata, Chair

Finance and Culture Committee

Date: March 3, 2014

Re: Council Bill 118028

Council Bill 118028 is principally a housekeeping bill. The Purchasing and Procurement section of the Seattle Municipal Code was last updated in 1973. The bill modernizes language, substitutes plain language to explain current acceptable processes and practices, and deletes obsolete sections. Several sections are revised to further ensure a fair and equitable bidding process for businesses.

### Language and definition revisions:

1. Obsolete sections that establish separate procurement criteria for zoo animals and sample testing are deleted.
2. Request for Proposals (RFP) is defined. Common in public procurement, the RFP is a common public process popularized in the 1970's. Existing law permits an RFP but does not define it.
3. Processes for Blanket Contracts, Sole Source contracts and Emergency contracts are described in the bill. It does not add or change authority, but simplifies language.
4. The bill provides clear legal authority to add City provisions (i.e. Equal Benefits or WMBE) when "piggybacking" contracts from other government agencies.
5. The definition of a Public Benefit Organization is added and a section is revised to clarify that non-competitive purchasing agreements can be negotiated with non-profit organizations that serve disadvantaged individuals.
6. The Competitive Bid Threshold is established at \$47,000 in 2013 dollars to be adjusted annually by the Consumer Price Index, as is currently allowed by ordinance.
7. The bill distinguishes an intentional overspend from unexpected accumulations during the year.

### Revisions that further ensure a fair bidding process for businesses that compete:

1. Authority for multiple awards is restricted. Should the Director make multiple awards, they must be made in consecutive order based on factors which are not revised in the legislation but include quality, delivery terms and service reputation of the vendor.
2. The Director's authority is revised to not allow negotiating bids if two were tied or throwing them out and picking one with which to directly negotiate.

3. Language is added to encourage use of existing contracts won by a firm through a fair competition, instead of bypassing using small purchase authority.
4. Consideration of late bids is given a more fair determination. In existing code, late bids are automatically rejected. This is not the preferred approach, as court cases ruled that lateness depends on circumstances. This revision allows for examination of the circumstances. An example is when an RFP arrives a minute late due to snow, or the time/date is changed by addendum.
5. The bill updates departments' authority to inspect deliveries, invoice payments, and records of inventory.

Please contact Nancy Locke, Department of Finance and Administrative Services, City Purchasing Director, at 684-8903 if you have questions.